



Finance Committee Briefing

August, 2015 YTD Results

2016 Budget Update

General Fund
Dayton City Commission Work Session
September 30, 2015





August, 2015 YTD Budget Update

1. General Fund Financial Results through August, 2015
 - a) Financial statements now incorporate revised revenue estimates as well as revised expenditure appropriation
 - b) Comparisons to the YTD budget now reflect comparisons to the revised budget amounts
2. Update on 2016 Budget Process



General Fund Overview

1. Revenues and other sources through August are \$1.8 million over the revised estimate and are \$5.3 M (or 5%) greater than the same period in 2014.
2. Expenditures are \$4.6M or 4% under the revised budget.
3. Overall, at the end of August, total sources exceeded total uses by \$2.8 million.



Finance Committee Briefing • August 2015 YTD General Fund Results



(In millions, Does not Include Special Projects)

Revenues & Other Sources	2015 Original Budget	2015 Revised Budget	YTD Revised Budget	2015 YTD Actuals	Budget Variance	Budget Variance	2014 YTD Actuals	2015 YTD Actuals	'14-'15 \$ Chg.	'14-'15 % Chg.
Income Tax	103.6	107.3	71.1	73.2	2.1	2.9%	67.0	73.2	6.2	9.3%
Property Tax	5.2	5.4	5.0	4.6	(0.5)	-9.5%	5.3	4.6	(0.7)	-13.5%
Local Gov't Fund	6.9	6.9	4.8	4.8	0.0	0.4%	4.5	4.8	0.4	8.0%
EMS Fees	4.7	4.8	3.1	3.4	0.3	8.9%	2.9	3.4	0.4	15.0%
Fees, Charges & Other Sources	30.1	30.2	20.2	20.2	(0.0)	-0.1%	21.1	20.2	(1.0)	-4.5%
Casino	3.3	3.2	2.4	2.3	(0.1)	-3.1%	2.4	2.3	(0.1)	-3.6%
Total Sources	153.9	157.8	106.7	108.4	1.8	1.7%	103.2	108.4	5.3	5.1%
Use of Cash Reserve	2.5	2.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
27th Payroll	2.3	2.3	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Sources & App. Fund Balance	158.6	162.6	106.7	108.4	1.8	1.7%	103.2	108.4	5.3	5.1%
Expenditures & Other Uses										
Personnel	114.2	114.1	76.0	74.3	1.7	2.2%	73.5	74.3	0.8	1.1%
Contracts, Materials & Other Uses	36.0	39.3	27.0	24.0	3.0	11.1%	26.9	24.0	(3.0)	-11.0%
Capital Equipment	3.4	2.5	0.7	0.7	0.0	0.0%	1.5	0.7	(0.8)	-52.7%
Capital Improvements	2.5	4.2	4.1	4.1	0.0	0.0%	0.7	4.1	3.4	486%
Development	2.5	2.5	2.5	2.5	0.0	0.0%	5.0	2.5	(2.5)	-50.0%
Total Uses	158.6	162.6	110.3	105.7	4.6	4.2%	107.7	105.7	(2.0)	-1.9%
Excess/(Shortfall) of Sources Over Uses	0.0	0.0	(3.6)	2.8			(4.5)	2.8		

Notes:

1. Amounts may not sum due to rounding.
2. Does not include special projects, which are reported separately.
3. 2015 Budget includes adopted budget only and does not include prior year's encumbrances.
4. Actuals include exp. against current year appropriation and against prior year's appropriation that carried forward.
5. Other Sources includes interest earnings and operating transfers in.
6. Other Uses include debt service and miscellaneous operating transfers out.
7. EMS is reported on a cash basis.

Finance Committee Briefing • August 2015 YTD General Fund Results

2015 Year To Date Tracking



	% Change over Prior Year							
	Jan YTD	Feb YTD	Mar YTD	Apr YTD	May YTD	Jun YTD	Jul YTD	Aug YTD
Income Tax	2.5%	4.9%	8.6%	5.8%	7.1%	7.0%	6.7%	9.3%
Total Revenue & Other Sources	-0.1%	-1.4%	4.2%	3.6%	4.2%	4.9%	3.5%	5.1%
Personnel	0.4%	0.3%	0.2%	0.0%	0.4%	0.9%	4.9%	1.1%
Total Expenditures & Other Uses	-3.3%	-3.9%	-3.4%	-1.8%	-3.2%	-3.2%	1.9%	-1.9%
Revenue & Other Sources over Exp & Other Uses	(2.4)	(2.8)	0.4	(0.2)	1.4	3.6	0.8	2.8

Includes extra Friday income tax collections

Reflects annual filing for income tax which is the largest collection month

Denotes Month(s) with Three City Payrolls

	Sources and Uses by Month								
	Jan MTD	Feb MTD	Mar MTD	Apr MTD	May MTD	Jun MTD	Jul MTD	Aug MTD	Aug YTD
Sources	13.1	12.5	14.3	16.5	12.4	13.5	13.6	12.6	108.4
Uses	15.5	12.9	11.1	17.0	10.8	11.3	16.3	10.7	105.7
Monthly Excess/ (Shortfall)	(2.4)	(0.4)	3.2	(0.5)	1.6	2.1	(2.7)	1.9	2.8

Extra PF/BB Pay of \$2.5M and Annual Health Savings Account Expenditure of \$2.6M

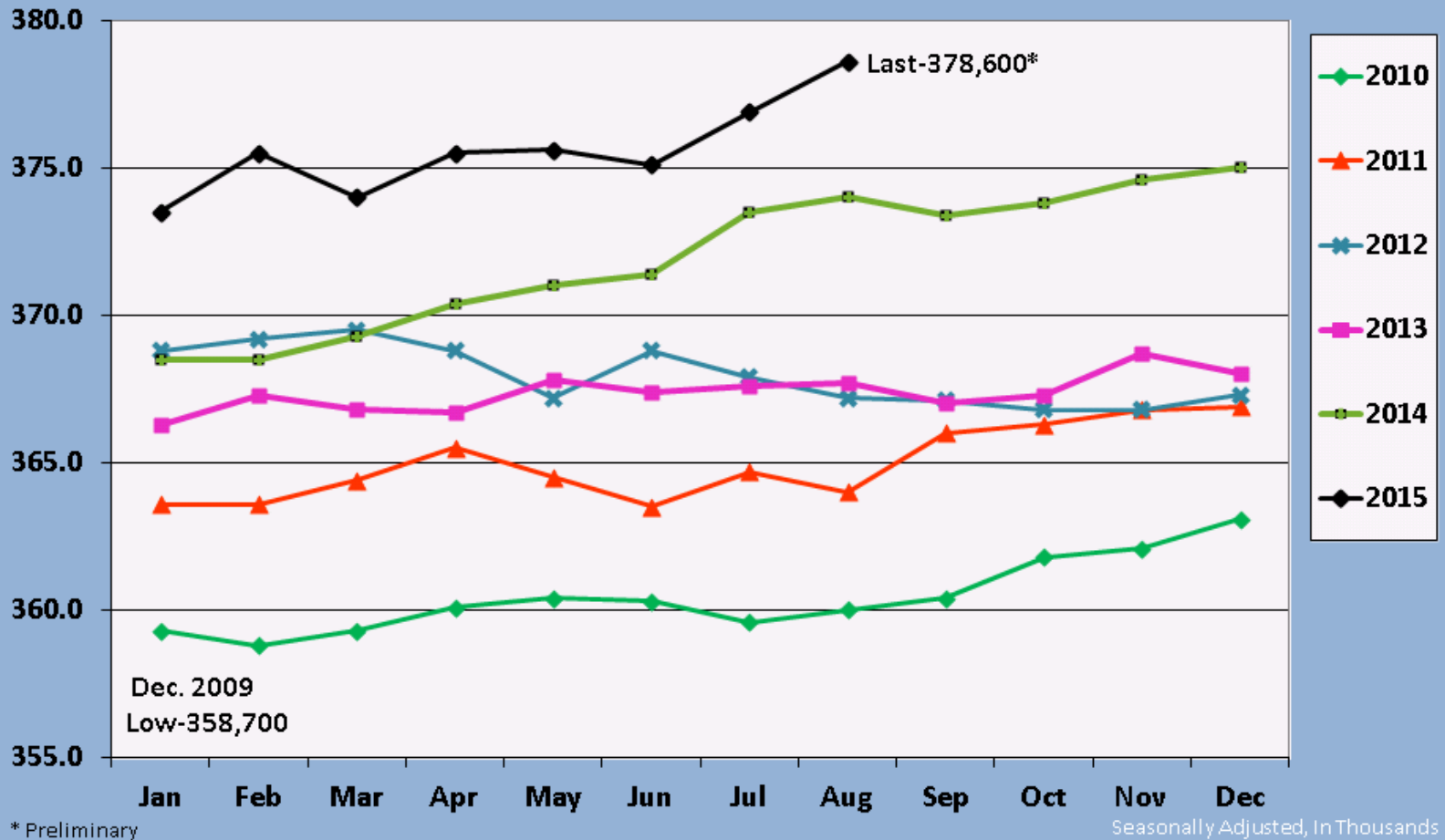
Includes annual Capital (\$2.5 M) and Development (\$2.5 M) transfers





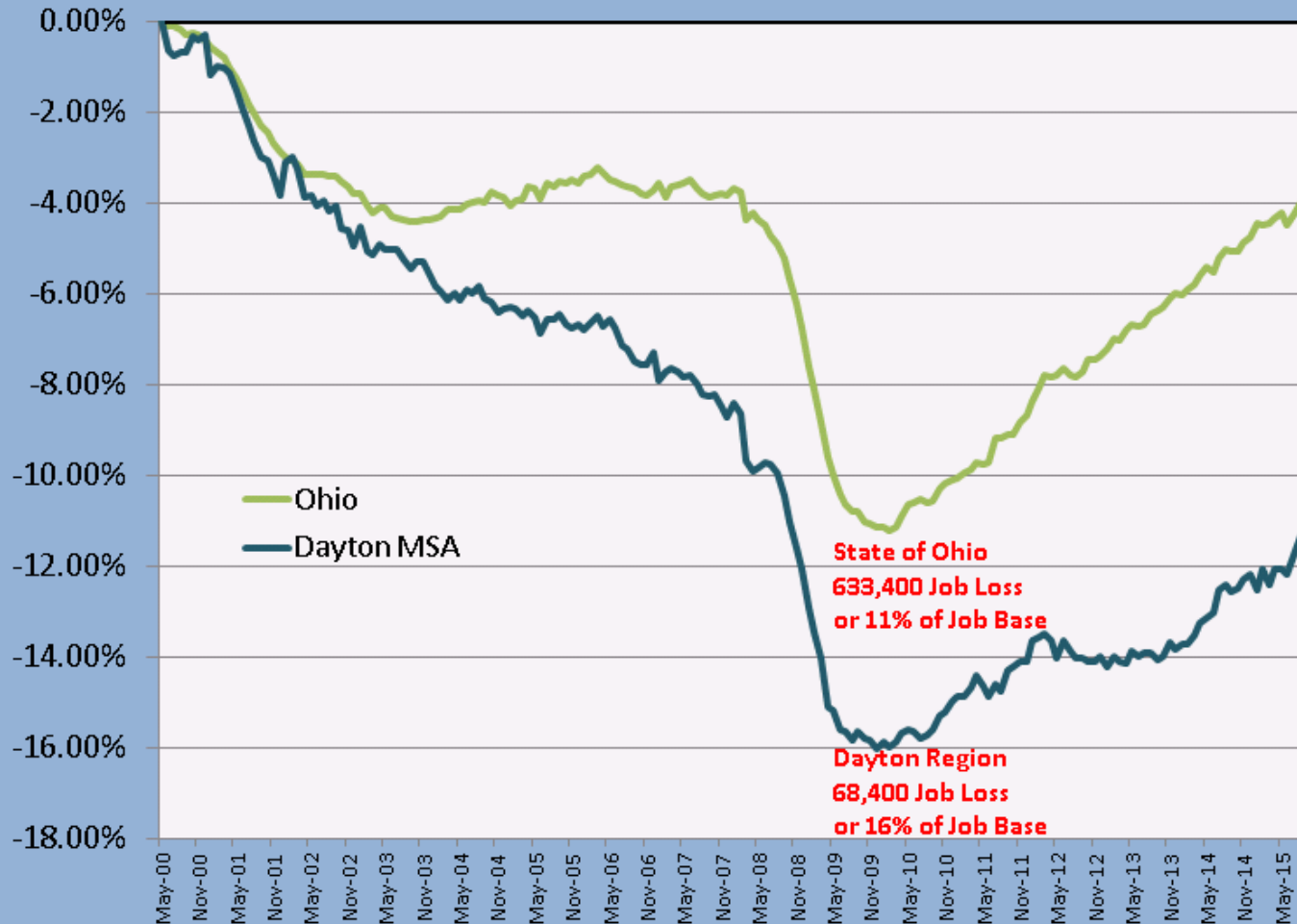
Dayton MSA Total Non-Farm Employment

From Peak to Trough the Region Lost 68,400 or 16% of the Job Base
Employment is up by 19,900 Jobs Since December of 2009
(in thousands)





Dayton MSA vs Ohio Employment Loss Since 2000 Peak

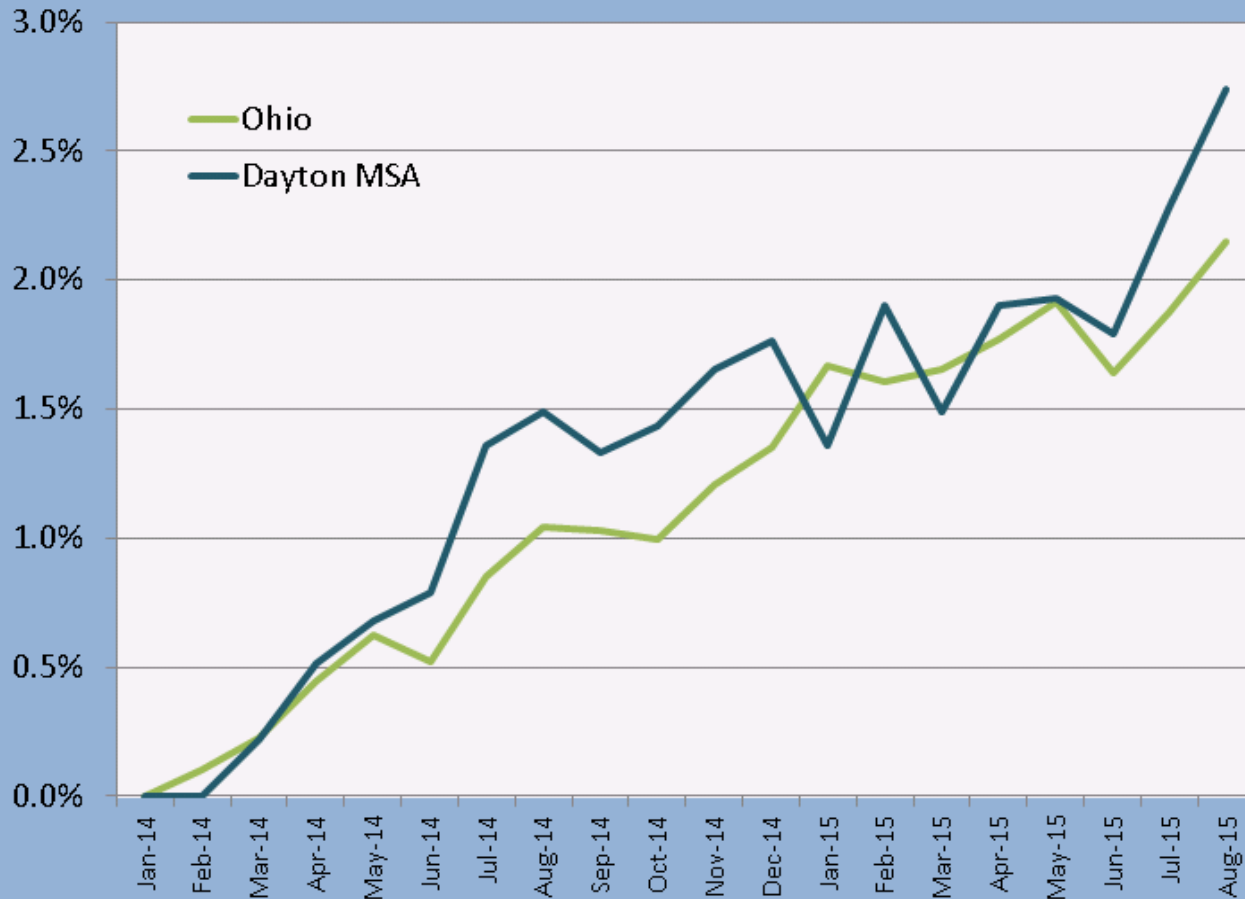


Ohio
4.0% Decrease
-225,100
From 5.636M
to 5.411M

Dayton MSA
11.4% Decrease
-48,500
From 427,100
to 378,600



Dayton MSA vs Ohio Employment Growth Since January 2014



* August is Preliminary

Dayton MSA
2.7% Increase
+10,100
From 368,500
to 378,600

Ohio
2.2% Increase
+113,900
From 5.297M
5.411M

2015 General Fund Revenues

- Income tax revenues are 3% (or \$2.1 million) ahead of the revised estimate and are 9% or \$6.2 million greater than last year. The uptick for August is the result of a fifth Friday in July.
 1. The revised revenue estimate for income tax reflects an increase of 4% over 2014 (versus the original estimate of 1% growth) and much of the underlying growth through August is the result of an extra payroll in this timeframe.
 2. YTD withholding collections are up 6.8% or \$4.0M over last year. When the extra Friday payroll is factored out, the resulting growth is 4% or \$2.5 million for the year.
 3. Taxes from business profits are up \$1.2 million, or 19%, of which all are attributable to corporations.
 4. YTD growth is attributable, in part, to a higher level of delinquency collections (up \$1.3 million from 2014).
 5. Revenues include \$312,700 in JEDD income tax distributions to Dayton's General Fund (for multiple years).



2015 General Fund Revenues

- Property Tax revenues through August are \$500,000 (or 10%) under the YTD estimate, reflecting less advance payments.

1. Subsequently in September, we have now received the second half settlement which should complete our collections for 2015. Below is a summary:

Property Tax (in millions)	2014 Total	2015 Total	Pct. Chng.
Real Estate	\$5.26	\$4.94	-6%
Public Utility	0.42	0.41	-2%
Total	\$5.67	\$5.35	-6%

2. We originally forecasted an 8% decrease in collections as real estate property values fell as a result of the six-year real property revaluation.





2015 General Fund Revenues

- Local Government Fund (LGF) receipts reflect the YTD estimate. The revenue estimate was revised upward due to the strong growth in State tax revenues despite the State revenue sharing cuts.
 1. LGF receipts are being affected by the State's redirection of a large portion of the municipal direct allocation to townships and villages.
 - Estimated annual impact is \$826,000 with impact in 2015 estimated at \$325,000.

2015 General Fund Revenues

- Fees, Charges & Other Sources are at the revised estimate, and are down \$1 million (or 5%) from 2014.
 1. The decline from the prior year is due to higher than normal 2014 revenue, resulting from the \$1 million racino host payment received in 2014 (2nd year of two \$1 million dollar payments).
 2. It should be noted that our original forecast for public safety traffic enforcement revenues totaled \$350,000. Actual collections through August, 2015 total \$1.7 M which has been incorporated into the revised forecast.
 3. We are also seeing declines in revenues related to courts, weed mowing, and waste collection revenues.
 4. On a positive note, permit activity is up overall by 24%.
- Casino Taxes total \$2.3 M through August and are 4% (or \$100,000) less than last year.
- Ongoing racino payment (\$500,000) was approved in the State budget but only for a 2 year period. We expect this payment by December 31, 2015.



2015 General Fund Expenditures

- Personnel Costs are under budget by 2% or \$1.7M and are up \$800,000 higher than the first eight months of 2014.
 1. Negotiated wage increase of 3% has been implemented for Police, Building Trades, D.P.S.U., and PTS employees including retroactive pay. The I.A.F.F. negotiations continue (annual increase was to take effect 6/1/15).
 2. The average number of employees in the General and Street Maintenance Funds declined by 24 positions or 2%, from 1,217 to 1,193 (August, 2014 YTD to August, 2015 YTD).





2015 General Fund Expenditures

- Contracts, materials & other uses are under budget by \$3.0 million (or 11%) at the end of August, reflecting an 11% decline in spending compared to the same period last year.
 1. There are several timing issues:
 - a) The reimbursement to schools of \$382,000 occurred in January of 2014 (delayed from December, 2013).
 - b) Insurance charges are understated
 - c) Tipping fee payments were delayed
 2. YTD 2014 activity includes \$350,000 for a transfer to capital to replace street lights that is now part of the Street Lighting assessment.
 3. Expenditures are trending downward in telephone, maintenance agreements, and natural gas costs.



2016 Budget Update

1. Budget development for 2016 continues.
2. The Community Service Area matrix is guiding data analysis on City Commission priorities and providing guidance to departments for 2016 performance measures.



[illegible]



Special Issues

1. Mid-year cuts to the Local Government Fund will constrain 2015 and 2016 revenue growth (State redirecting LGF funds from cities to townships and villages).
2. Policy budget development continues.
3. The Dayton Open Data project will be rolled out at the October Finance Committee Briefing.





Thank you.

Questions?

